

Indiana Department of Workforce Development Agency Overview, FY 2014-15 Biennial Budget

The Indiana Department of Workforce Development (DWD) is charged with administering the state's unemployment insurance program, adult basic education and workforce development and training programs that assist unemployed and underemployed individuals secure sustainable employment. Our workforce training initiatives rely heavily on the actions of the U.S. Congress and the U.S. Department of Labor for overarching program administration guidelines and financial support, while our adult basic education programs rely on both the U.S. Department of Education and State appropriations to meet the financial needs of providing GED services. The unemployment insurance program is governed through a coordinated effort of both federal and state governments, while funding for the program is provided through unemployment insurance premiums from Indiana employers.

The Department is building and improving the skills of the existing workforce through a network of 28 WorkOne and 60 WorkOne Express offices located in 12 regional workforce service areas throughout the State. DWD supports these offices with staff, technology, infrastructure, software, training opportunities, technical assistance, and workforce development related grants. The State's future workforce is also served through a network of 46 area vocational districts and qualified post-secondary institutions as well as 11 education consortiums that strive to meet the educational needs of Indiana adults that have not received their high school diploma.

We understand our obligation to the citizens of Indiana and have taken a rigorous approach to ensure that the services we provide are efficient, effective, and provide maximum value to clients and employers we serve. We understand the need to provide a workforce that is conducive to economic growth and are consistently evaluating our programs and methods of service to ensure that we are taking positive steps toward meeting this need.

New and Ongoing Initiatives

The Department continues to provide the core workforce investment services supported by the federal Workforce Investment Act (WIA), Wagner-Peyser Act, Carl D. Perkins Act, and various other core federal programs. Within these programs, we have implemented several new initiatives such as the Young Hoosier Conservation Corps, Adult Basic Education, and Hoosier Initiative for Re-Entry and have increased the support of successful programs such as Jobs for American Graduates.

- **Adult Basic Education (ABE)**: The Department took oversight of the ABE program from the Department of Education in an effort to more effectively serve this high-need portion of the adult population. We are very excited about the addition of this program to DWD's service offerings and have reoriented the ABE program to focus on occupationally based curriculum and career counseling in addition to traditional GED attainment services. The Department expects ABE to be a high-impact program that will align well with the other workforce training programs administered by the Agency. Our ability to expand the current program with our workforce-related federal grants will allow us to serve a larger number of participants and better assist them with utilizing their education to obtain meaningful, self sustaining employment.

- **Young Hoosier Conservation Corps (YHCC):** Indiana has partnered with DNR, INDOT, and the Indiana National Guard to incorporate this exciting program into our youth services area and has successfully assisted nearly four thousand (4,000) youth ages 17-24 in gaining valuable employment skills. The YHCC program is a summer youth employment program that pairs at risk and economically disadvantaged youth with work opportunities that will build character and provide valuable work experience to assist them in their future careers. The success of the program is measured by the work readiness of the clients after they complete the program and the variety of projects that have been completed in the state parks, wildlife areas, highways, and military posts.
- **Jobs for American Graduates (JAG):** Indiana is proud to be involved in this school-to-career program implemented in 700 high schools, alternative schools, community colleges, and middle schools across the country and the United Kingdom. JAG's mission is to keep young people in school until graduation and to provide work-based learning experiences that will lead to career advancement opportunities or enrollment in a post-secondary institution that will lead to a rewarding career. Indiana's success rate with this program has led to an 88% graduation rate for the participants and has been expanded to include 75 in and out-of-school programs where more than 2,500 students receive assistance annually. Along with the tremendous graduation rate, success in this program can be measured by the 44% of graduates that have continued on to post secondary education, the 100% of seniors that sat for an entrance exam and the 66,000 community service hours worked by these students. Additionally, more than 1,500 employers are engaged in the program which is vital to the transition from education to employment.
- **IndianaCareerConnect.com (ICC):** We continue to be pleased with the expanded reach of Indiana's premier job search website, www.IndianaCareerConnect.com. This state of the art website is free to both Hoosier workers and employers. Workers are able to research occupations currently in demand, as well as the skills needed to succeed in those jobs. Through the site's "spidering" technology, wherein Hoosier job postings are pulled from various online job boards, the Department has increased the number of job postings from a few thousand to over 70,000. This allows WorkOne staff to refer more unemployed Hoosiers to jobs throughout the state. In FY 2012, this website averaged 520,000 visits per week. The Department's marketing efforts and new requirements for all UI claimants to register in ICC expanded the use of the website and have made it an attractive recruiting resource for Indiana employers.
- **Hoosier Initiative for Re-Entry:** In FY 2012, the Department began working with the Indiana Department of Corrections on a new program dedicated to bringing ex-offenders back into the workforce. Staff from the Department meets with participants and employers regularly to identify any work-related issues or needs. Through October 2012, the Department has recorded that 222 ex-offenders have entered employment, and 88% have retained employment for three months at an average starting wage of \$10.42/hr. By providing work opportunities, employers help ex-offenders become tax-paying citizens who contribute to the community.

Budget Request

In the FY2014-15 biennium, DWD expects that congressional actions and tighter fiscal controls at the federal level will result in a continued downward trend of our federal funding sources. While we have adjusted our programs and operations to these new funding realities, there are several State programs that are increasingly requiring administrative oversight. The federal rules that prohibit federal funds from being used to support separate state programs is requiring the agency to seek additional State administrative funds.

DWD has assumed responsibility for the Commission for Proprietary Education (COPE), Adult Basic Education and the Perkins Post-Secondary programs in recent years. These programs require additional administrative oversight; however, DWD has assumed these responsibilities without receiving the associated administrative funding. In this biennium, DWD is requesting that current administrative funding for Adult Basic Education, Perkins Post-Secondary programs and the proportional administrative funding for the now revamped and fragmented COPE be transferred to our agency. All these combined increases total \$1,084,588 – \$467,500 for Adult Basic Education administrative support, \$395,515 for Perkins Post-Secondary programs, and \$221,573 for COPE. Finally, DWD is requesting that the state appropriation for the Adult Basic Education state match be restored to historical levels of fourteen million dollars, an increase of \$1.4 million from the current level.

Major Projects and Objectives

Not only is DWD responsible for short-term economic support of displaced and under-skilled workers, but it is also responsible for developmental training for the current and future workforce. The challenges associated with providing workforce services have seen a notable increase as a result of the current state of the national economy and the substantial number of individuals needing our services. The Department has risen to these challenges and has worked diligently to develop new ways of providing meaningful services as well as improving our existing services in order to meet the needs of those most affected by the economic downturn.

The continuation and anticipated completion of the Unemployment Insurance Modernization (UIM) project is allowing us to improve the level of service provided to employers and individuals in the unemployment insurance program. Through this new system, we have transitioned claimants from receiving a paper check in the mail each week to sending a debit card that is automatically funded for each week of benefit eligibility. We have also added an online payment feature for employers to view and pay their unemployment fund contributions. We anticipate that as the project approaches completion, we will experience increases in efficiency in both the benefit payment processing to claimants and in communications and convenience for employers.

Additional information regarding the programs managed and administered by DWD is presented in the following pages. The information is organized around the agency's goals and is aimed at providing a snapshot of DWD's successes and future challenges. It is organized in the following manner:

- Description of DWD's programs and functions – Attachment A
- Accomplishments in previous biennium – Attachment B

- Objectives and challenges for the next biennium – Attachment C

Attachment A

Indiana Department of Workforce Development Programs

The Indiana Department of Workforce Development administers many federal and state programs that assist the current and future workforce. The following is a brief synopsis of each of the programs administered by the agency:

- **Unemployment Insurance (UI) Services** is an income maintenance program designed to help individuals bridge the gap between unemployment and returning to work. To receive benefits, a person must be unemployed through no fault of his or her own and be able, available, and actively seeking employment.
- **Workforce Investment Act (WIA)** funds create a state and local comprehensive workforce investment system for all Hoosiers by unifying numerous training, education, and employment programs into a single system. This program has three funding streams designed to serve specific populations: adults, youth, and dislocated workers.
- The **Wagner-Peyser Act** program assists job seekers in finding employment, assists employers in filling jobs, and satisfies the work test requirements for the UI compensation system.
- The **Carl D. Perkins Act** funds the state's vocational and technical education programs through grants to local education agencies, post-secondary institutions, and others to conduct vocational programs. The purpose of the Perkins program is to develop challenging academic standards, promote the development of services and activities that integrate academic, vocational, and technical instruction, disseminate national research, and provide professional and technical development that will improve vocational and technical programs.
- The **Trade Adjustment Assistance Act (TAA)** program helps workers whose employment has been adversely affected by increased imports or shifts to foreign production return to work as quickly as possible at the highest possible wage. Services include job search, relocation assistance, training and income support while in training. Benefits provided to eligible individuals under the Trade Reform Act of 2002 include:
 - The **Health Coverage Tax Credit (HCTC)**, which is a federal tax credit that pays 65% of the qualified health plans premiums.
 - **Alternative TAA (ATAA)** covers workers 50 years and older, for whom retraining may not be suitable, to accept re-employment at a lower wage and receive a wage subsidy.
- The **Adult Basic Education** program provides remedial education to Hoosier adults that have not received their high school diploma. Services are provided through 11 education consortiums. Funding for ABE is provided from both State and Federal sources.
- The **Local Veterans Employment Representatives (LVERs) and Disabled Veterans Outreach Programs Specialists (DVOPs)** provide labor exchange services to veterans and ensure that veterans receive preference in job referrals.

- The **Small Business and Work Opportunity Tax Credits** are federal tax credits that encourage employers to hire individuals who have consistently had difficulty in securing and retaining employment.
- **Alien Labor Certification** is a small program that provides supportive services to staff that review, coordinate, and advise employers hiring non-U.S. citizens.
- State of Indiana **Workforce Development Funds (WDF)** are utilized by DWD to support programs designed to enhance the skills of Hoosiers. The flexibility of WDF allows DWD to fund programs such as the Jobs for American Graduates (JAG) program, as well as several workforce literacy programs.
- The **State Workforce Innovation Council (SWIC)** is provided both administrative and fiscal support by DWD.

Attachment B

Accomplishments for the FY2012-2013 Biennium

- The Department successfully maintained the Young Hoosier Conservation Corps program that enabled nearly four thousand (4,000) at risk and economically disadvantaged youth to gain valuable work experience and provide labor for a variety of projects in state parks, wildlife areas, highways, and military posts. In addition to the valuable benefits provided to participants, the state was able to complete much needed rehabilitation projects and other capital projects that otherwise would not have been economically feasible given the current budget constraints. U.S. Department of Labor identified this program as an exemplary Summer Youth Employment Program, and it is being used as a model for youth programs at the federal level.
- Over the past three years, the Department has provided \$16.5 million to Ivy Tech Community College and Vincennes University to provide apprenticeship training for Indiana's skilled trades sector. These funds have made it possible for thousands of workers to gain work skills in their trade of choice and has assisted hundreds of apprentices in obtaining their journeyman credential.
- Indiana has launched an aggressive on-the-job (OJT) training program as a means to encourage employers to hire displaced workers. Through the OJT program, employers can receive a reimbursement of wages up to thirteen thousand dollars (\$13,000) per person for the time that is spent training these newly hired employees. The Department has set aside funding for this initiative and is working through our statewide network of WorkOne facilities to provide this incentive.
- The agency has successfully integrated Adult Basic Education into our workforce programs and been successful in helping individuals not only achieve their high school equivalent diploma, but to also undergo occupational training in a field that has been identified as a high demand occupation. Our belief is that a high school diploma/GED is no longer sufficient in today's labor market in order to achieve self sustaining employment. For this reason, individuals that enter the Adult Basic Education system are co-enrolled in federal workforce training activities that coincide with their educational remediation. The attainment of a GED as well as a nationally recognized career certification in areas such nursing, truck driving, IT training and pharmacy technician, to name a few, gives our participants the edge they need to sustain long term employment.
- The Department will have the Unemployment Insurance Modernization (UIM) project completed and operational in coming months. UIM will modernize the computer applications of the Unemployment Insurance (UI) Benefits and Tax Programs providing user-friendly screens, streamlined components of the UI program and more efficient services to our customers. Unemployment Program Link (UPLink) is the designated name of the new UI Benefits and Tax programs computer system. Early phases of UPLink have already been completed. As a result, benefit eligibility determinations are made using a workflow system that increases staff consistency and productivity. Additionally, claimants can file their unemployment claims and monitor their claim status online and employers can maintain

their employer account information, file quarterly reports and make payments through the online system.

Accomplishments by Major Funding Categories

- **Workforce Investment Act (WIA)** – The guiding principles of the WIA program have always served as the foundation for Indiana’s workforce development system. These principles include universal access, customer choice and integrated services delivery. Customers may access our services through 88 WorkOne (full and express service) centers located across the state. The WorkOne centers include access to all partner services and an information resource center. For state fiscal year 2012, the WIA program achieved an adult employment retention rate of 80.3%, adult average earnings of \$12,108, a dislocated worker employment retention rate of 84.5%, and dislocated worker average earnings of \$14,584.
- **Trade Adjustment Assistance (TAA)** – The Trade Adjustment Assistance program in Indiana has received \$18.5 million in funds for training, job search, and relocation. Indiana workers were able to draw basic income support while searching for work with the assistance of counselors from WorkOne offices. The Alternative Trade Adjustment Assistance program or Alternative Trade for Older Workers experienced a steady stream of participation over the past few years. In fiscal year 2012, over 7,000 determinations were made relative to TAA training plans and benefits. Approximately 512 applications were processed and those workers received benefits from the ATAA wage subsidy program.
- **Wagner-Peyser Labor Exchange Services** – During state fiscal year 2012, the Wagner-Peyser system served 381,344 participants with 354,150 receiving staff-assisted services and 18,240 referred to employment. The entered employment rate was 50%, with 155,948 entering employment, and a 79% employment retention rate at six months. Average earnings were \$13,054. Job orders were placed for 117,736 openings by 3,346 employers.
- **Unemployment Insurance (UI) Services** – The unemployment rate in Indiana has declined from 9.2% in July 2011 to 8.0% in October 2012. The continuing improvement in Indiana’s economy has also resulted in a decline in claims for unemployment benefits. As a result of this decline, the agency continues to run ahead on the forecasted solvency timeline for the UI trust fund and the timeliness and quality of claims processing has improved dramatically.
- **Adult Basic Education** – The responsibility for administering the Adult Basic Education program transferred to DWD in FY2012. In the first year of administration, DWD has made significant program improvements both in service delivery and fiscal responsibility. In FY 12, nearly 28,000 individuals were enrolled for services to receive the education necessary to obtain a GED and more than 27,000 grade level gains were made. Nearly six thousand individuals were successful in obtaining their high school diploma equivalency as a result of this program.
- **Bureau of Labor Statistics (BLS)** – Indiana’s BLS team provides key labor market information that assists both government and business in making informed policy decisions. Products such as Hoosier by the Numbers allows the public to gain access to a variety of

state, regional and county information such as population demographics, workforce data, major industries, economic indicators and other useful information. The BLS team also is successful in processing data to arrive at information regarding unemployment rates, job growth and industry expansion. The information that BLS provides is extremely beneficial, especially in these difficult economic times as we analyze progress toward recovery.

Attachment C

Agency Objectives for the FY2014-2015 Biennium

- **Complete major information technology systems**
 - Roll out the Unemployment Information Modernization (UIM) project, the nation's first comprehensive unemployment insurance system.
 - Implement a new call center communication system in an effort to better serve constituents. This new system will provide a more structured call routing process and real-time interaction between multiple parties.

- **Strengthen data collection and analysis to improve public policy decisions and drive performance**
 - Assess research products against stakeholders' needs and develop new products to support critical needs; establish robust distribution channels for research products.

- **Improve programs, expand coverage and reduce time required for a client to secure employment**
 - Exceed federal standards for Unemployment Insurance benefit processes.
 - Assess the governance structure of the WorkOne system.
 - Accelerate re-employment through increased utilization of Worker Profiling and Reemployment Services (WPRS), Reemployment and Eligibility Assessment (REA), and the Trade Act programs.

- **Continue the integration of the Adult Education program into workforce development operations**
 - Reorient the Adult Education curriculum to focus on industrial recognized, occupationally-based remediation.
 - Deploy incremental resources based on performance results.

- **Contribute to long-term economic development through coordinated actions among workforce development and educational agencies and partners**
 - Increase the efficacy of educational programs through coordinated action with the Commission for Higher Education, the Department of Education, Ivy Tech Community College, and Vincennes University.
 - Increase adult post-secondary completions, with particular emphasis on industrial recognized occupational certifications and/or associate degrees.

Challenges for the FY2014-2015 Biennium

- DWD will continue to provide on-going technical assistance and training opportunities with all partner staff, including the local Regional Workforce Boards, Workforce Investment Boards, and service providers, in an effort to meet all federal performance standards for WIA services. Meeting these standards is a factor used to qualify states for federal incentive funds that can be used to fund innovative projects and improve service delivery.

- The anticipated roll out of the Unemployment Insurance Modernization (UIM) project will pose many challenges as the Department adapts to new information technology systems and business processes. DWD is prepared for the transition and will make training a priority to ensure that there is a smooth transfer to the new system.
- Indiana's Unemployment Insurance Trust Fund remains insolvent and has received federal advances of more than \$2 billion during the past biennium. Legislative action was taken during the FY2011-2012 biennium to correct this shortfall, and the Department is running ahead of the forecasted solvency timeline.